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STAFF NOTES:

Western Europe

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State Department review completed

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Bonn and East Berlin Push for Agreement on Berlin Transit Route Improvements

East and West German negotiators continue to inch closer toward an agreement on a "package deal" to improve road and rail routes in and around Berlin. East Berlin has a strong need for the hard currency the various construction projects will generate. Bonn evidently believes that a compromise on financing these projects will make them acceptable to West Berlin and West German voters.

The compromise pertains to the cost estimates for the two major projects in the package deal: the reconstruction of the Helmstedt-West Berlin autobahn and the expansion of the Berlin circumferential to six lanes. A West German Foreign Office official informed Allied representatives on December 4 that a "breakthrough was very near." He provided no details, remarking only that a recent press report claiming that the two governments had decided essentially to split the difference between their cost estimates was "overstated." Bonn's original estimate was \$110 million, whereas East Berlin insisted that the construction costs would be at least twice that figure.

The West German official did reveal that the newspaper article was East German-inspired, a tactic that East Berlin often adopts when it is ready to conclude agreements. West German negotiators, for their part, are seeking final instructions from Chancellor Schmidt

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Teast Berlin has already agreed to assume 40% of the cost for widening the circumferential and 35% for the reconstructed autobahn.

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The two governments remain divided on other elements of the package deal. The Schmidt government wants to open additional rail crossing points between East Germany and West Berlin and construct new passenger stations in the enclave. The East Germans, however, are dragging their feet, insisting that they wish to negotiate directly with the West Berlin Senat on these matters. The same problem on negotiating authority continues to stymie efforts to begin talks on reopening the Teltow canal that traverses West Berlin.

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Plans To Prosecute Portuguese Rebellion Leaders Announced

Portugal's ruling Revolutionary Council yesterday pressed ahead with plans to prosecute those responsible for the paratroop rebellion last week and continued the purge of pro-Communists from its ranks.

The Council named air force Brigadier Luis Araujo to head a commission of inquiry to look into events surrounding the uprising and instructed investigative organs to prepare legal proceedings against the accused.

Approximately 100 soldiers have been arrested, and others are still being sought. All of those implicated have been military personnel, but the government has averred that they were part of a larger plot with broad political implications.

The naval high command announced the arrest yester-day of pro-Communist naval Lieutenant Commander Almada Contreiras, and a warrant has been issued for the arrest of his deputy. Contreiras also was removed from the Revolutionary Council. His departure leaves only one pro-Communist still on the Council--navy Commander Martins Guerreiro.

The military purge--which has now claimed 36 members of Prime Minister Azevedo's personal staff--yesterday prompted an outcry from the Communist Party newspaper Avante. In a front-page editorial, the paper appealed for an end to the purges and arrests, charging that they were part of a witch-hunt by reactionary forces.

The Communists have been placed increasingly on the defensive by the sharp reversals in party fortunes, which began in September with the overthrow of pro-Communist former prime minister Vasco Goncalves. But

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they still appear unprepared to accept the conditions recently set forth by the Socialists for their continued participation in the cabinet--repudiation of the military uprising and a pledge of loyalty to the Azevedo government.

In rejecting the Socialist demands, Avante said yesterday that a capitulation by the party on such a matter of principle was neither viable nor possible.

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Norwegian-Soviet Talks on Barents Sea Still Deadlocked

The second round of talks between Norway and the Soviet Union on delineation of the continental shelf in the Barents Sea has ended with the two sides still deadlocked. A short communique issued at the end of the series of meetings held in Oslo over the past two weeks said only that the negotiations took place in a "factual and friendly atmosphere." No date has been set for another round of negotiations.

The main sticking point is the delineation of national waters in the Barents Sea. Oslo wants a median or equidistant boundary zigzagging between Norwegian and Soviet islands to the North Pole. Moscow backs a straighter sector line running directly from the Norwegian-Soviet Union frontier to the North Pole.

to push Norwegian control further from the Kola peninsula and its extensive network of military					
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Although mindful of Soviet strategic interests in the area, the Norwegian government in recent months has made clear that it intends to protect its own interests in the area-particularly now that there is a possibility of offshore oil deposits in the area between the Norwegian mainland and the Svalbard archipelago. With solid domestic support, Oslo is currently looking for ways to beef up its presence on Svalbard and may be similarly encouraged to hold the line in future Barents Sea negotiations.

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